Divestment of RBI's stakes in NABARD

27. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has firmed up a plan to divest its stake of Rs. 1450 crore worth of NABARD paid-up shares (consisting of 72.5 per cent of total paid-up shares of Rs. 2000 crore of NABARD) in favour of the Central Government;

(b) how would it affect the functioning of rural credit delivery system in the country when RBI would lose its right to get represented on the Board of Directors of NABARD after such divestment;

(c) whether this move would affect the hitherto sound monitoring of NABARD by RBI; and

(d) whether Government has any plant to divest part of NABARD shares into the market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. It has been decided to transfer stake of Reserve Bank of India (RBI) in NABARD to the Government of India (GoI).

(b) and (c) The extant legislative provisions contained in Section 6(1)(c) of the NABARD Act, 1981, *inter alia,* provide that the Board of Directors of the National Bank shall consist of, among others, three directors from out of the directors of the Reserve Bank. The transfer of stake of RBI in NABARD to the Government is not likely to affect the functioning of rural credit delivery system in the country as the policies in this regard will continue to be shaped by GoI in consultation with RBI and NABARD, nor is it likely to have any adverse effect on the monitoring mechanism of NABARD.

(d) No, Sir.

Sixth Pay Commission Report

28. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of print media report regarding Pay panel estimating 150 per cent civil service salary hike.

(b) if so, what are the details in this regard;

(c) whether the Sixth Pay Commission Report has been finalized; and

(d) if so, the salient features of the recommendations of the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) No specific instance has been brought to the notice of the Government, though there may be a number of speculative reports on the recommendations of the Sixth Central Pay Commission in the media. The Government has not so far received the Report of the Commission. As per the Terms of Reference, it is to finalize and submit its Report within 18 months of its constitution, i.e. by 4th April 2008.

Financing of infrastructure projects

29. SHRI VIJAY J. DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state·

(a) whether it is proposed to use the country's "Reserves" for financing infrastructure projects;

(b) if so, whether it would be financially more prudent if public-private partnership is massively resorted to in financing the infrastructure projects and there is no dilution in the "Reserves"; and

(c) what are the projections in the Eleventh Five Year Plan for public-private partnership for core sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir, it is proposed to use a small portion of the country's forex reserves for financing infrastructure projects as availability of long term finance is a constraint. The initiative to utilize a small portion of forex reserves through an overseas SPV of IIFCL aims to partially address this issue. Long term finance can also be availed by PPP projects from the IIFCL ocerseas SPVs. As the amount being utilized for infrastructure financing is a very small percentage of forex reserves, there is no fear of dilution in the reserves.

(c) No separate projections of public private partnership for core sector has been made for Eleventh Five Year Plan. The estimates for private sector investment including public private partnerships for the Eleventh Five Year Plan are Rs. 601,959 crore.

Non-payment of import/customs duties

30. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of foreign flagged motor yachts and sailing boats are being owned and/or operated in Indian seas including in the Andaman and Nicobar Islands which do not need to pay import/customs duty whilst Indian flagged vessels pay customs duty of 30 plus per cent; and

(b) if so, whether this constitute a loophole that is being exploited to avoid customs duty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) A foreign flagged vessel whether or not owned and/or operated by an Indian, when calling on any Indian port is treated as conveyance and is not liable for payment of import duty. A motor yacht or sailing boat arriving into India for the first time, for registration as Indian flagged vessel, is considered as imported goods and is charged to applicable customs duty. On subsequent calls at any Indian Port, the Indian flagged vessel is treated at par with the foreign flagged vessel and is not charged to customs duty.

Suicide by debt-ridden farmers

31. PROF. P.J. KURIEN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of farmers committed suicide because of their inability to pay back their loans from Commercial Banks during the last three years, till date;

(b) if so, the number and the details of such suicides;

(c) whether Government would like to take new initiative to help the farmers in distress;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?